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The following estimates, forecasts, and projections are mainly taken from recent publications of the National Agricultural Statistics Service, Economic Research Service, and the World Agricultural Outlook Board of the USDA.

♦**Oranges:** As of March 1, U.S. orange production for the 1998-99 season was forecast at 10.2 million tons, down 1% from the February forecast and 27 % below last season's record large crop of 13.9 million tons. Florida's production was forecast at 192 million boxes (8.64 million tons), down 1% from February and 21% below last season. Florida's early-midseason forecast was 114 million boxes (5.13 million boxes), 2% less than a month ago and 19% below last year. The Florida Valencia forecast remained unchanged from February at 78 million boxes (3.51 million tons), 25% below year ago.

♦**Florida Frozen Concentrated Orange Juice (FCOJ) Yield.** The Florida frozen concentrated orange juice (FCOJ) yield for the 1998-99 season is 1.62 gallons per box at 42.0 degrees Brix. The forecast projects the final yield as reported by the Florida Citrus Processors Association. Projected average yield for 1998-99 early and midseason varieties is a record high 1.59 gallons per box. Valencia yield is projected at 1.68 gallons per box.

♦**Grapefruit.** The March 1 forecast of the 1998-99 U.S. grapefruit crop was 2.59 million tons, down 1% from February and from last year's production. The Florida all grapefruit forecast of 49.0 million boxes (2.08 million tons) was down 2% from the previous forecast.

♦**Soybeans.** U.S. soybean exports for 1998/99 are forecasted at 780 million bushels. U.S. soybean ending stocks are forecast at 470 million bushels, up 60 million bushels from the previous forecast because of reduced exports and a decline in soybean crush. Soybean season-average prices are expected to average between \$4.95 and \$5.15 per bushel. Thru March 22 growers have received Loan Deficiency Payments on 1.84 billion bushels of soybeans, receiving over \$713.9 million dollars in payments averaging 38.7 cents per bushel.

♦**Corn.** Corn ending stocks are forecast at 1.711 billion bushels for the 1998/99 marketing year compared with 1.308 billion bushel at the end of the 1997/98 season. The market year average price is expected to average between \$1.90 and \$2.10. The Farm Service Agency has paid corn growers Loan Deficiency Payments on 4.95 billion bushels of corn, totaling over \$900.6 million and averaging over 18 cents per bushel.

♦**Cattle.** March 1 **cattle on feed** in the U.S. feedlots with capacity of 1,000 or more totaled 10.40 million head, up slightly from a year earlier. Placements were up 20% from the previous year. Marketings of fed cattle were 1% below 1998. At mid-March, **prices** for choice steers (Nebraska direct, 1100-1300 pounds) averaged \$64 per cwt., and close to what is expected for the 1999 year. Feeder steer prices (Oklahoma City, medium-large frame, 750-800 pounds) were around \$72 per cwt in mid-March, unchanged from mid-February.

♦**Hogs.** Hog slaughter during recent weeks has been running about 3% above a year ago. Prices at mid-March (Iowa-Southern Minnesota direct, 230-250 pounds) were around \$25 per cwt, down about \$1 from mid-February. Hog prices for 1999 are expected to average about \$35 per cwt, about the same as 1998.

♦**Other Livestock.** February **milk production** was up 4.3% from the previous year. Production per cow increased 4.2% , however, the number of cows was almost unchanged from February 1998. The February **Basic Formula Price (BFP)** was \$10.27 per cwt, down a record \$6.00 from January. **Cheddar cheese prices** (U.S. 40 pound blocks, wholesale) increased .7 cents for the first week of March but decreased .4 cents for the second week. This suggests that the March BFP will be unchanged, with the possibility of a slight increase. During January, total **cheese** production was 2.9% above the previous year, **butter** production was up 7.7% and **nonfat dry milk** production was up 14.9%. **Sheep** slaughter for February totaled 299 thousand head, down 3% from last year's number. The average live weight was 135 pounds, down 2 pounds from February a year ago. U.S. **egg production** for February 1999 totaled 6.29 billion eggs, up 3% from a year ago. Egg production during the second quarter of 1999 is expected to be up 2% from a year ago. Wholesale market **egg prices** for the second quarter of 1999 are expected to average 63-67 cents per dozen, compared with 66.5 cents a year ago. Third quarter 1999 market egg prices (Grade A large, New York) are expected to average 67-73 cents per dozen, compared with 76.0 cents a year ago.

For the week ending March 13, cumulative **broiler placements** for 1999 in 15 selected

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states were 1.43 billion, up 4% from the same period a year earlier. The wholesale 12 city average price for whole broilers for the second quarter of 1999 is expected to be 58-60 cents, compared to 61.0 cents for the second quarter of last year. Third quarter 1999 broiler prices are expected to average 58-62 cents per pound, compared with the 70.4 cents for a year earlier. Cumulative **turkey poult placements** for the 1999 marketing year were 139 million, 6% less than the same period a year ago. Placements in February were 5% less than last February. Prices (8-16 lb hens, Eastern Region) for the second quarter of 1999 are expected to be in the 59-62 cent range compared with 59.1 cents for the second quarter last year. Turkey prices for the third quarter of 1999 are expected to average 61-67 cents per pound, compared with the 63.4 cents average for the third quarter of 1998. **Supplies in refrigerated warehouses** the end of February compared with a year earlier were: chicken up 9%, turkeys down 27%, pork up 17%, beef down 10%, cheese down 2%, and frozen orange juice up 6%.

♦**Trade.** March U.S. **trade projections** for wheat, corn, and beef improved while 1998/99 export prospects for rice, soybeans, and pork declined, compared with last month. Cotton, broilers, and turkeys were unchanged from February. March projections for the volume of exports for the 1998/99 marketing year compared to 1997/98 are: **wheat** up 1%; **corn** up 20%; **rice** down 1%; **soybeans** down 10%; **soybean meal** down 25%; **soybean oil** down 29%; and **cotton** down 44%. March projections for the volume of meat exports in calendar 1999 compared to 1998 are: **beef** up 10%; **pork** up 9%; **broilers** down 5%; and **turkeys** down 3%. The **U.S. trade** deficit for goods and services increased to \$17.0 billion in January, from a revised \$14.1 billion in December. The **U.S. agricultural trade** surplus was \$793.0 million in January, compared with \$1.636 billion in December.

♦**Prices.** The rate of **inflation**, as monitored by the CPI for all urban consumers, was up 0.1% in February and has increased 1.6% over the last 12 months. The **PPI** decreased 0.4% in February. This followed an increase of 0.5% in January. For the 12-month period ending in February, the PPI increased 0.5%. The February **prime rate**, averaging 7.75%, was unchanged from January. Compared to a year earlier, **feed** prices in February were down 14%; **feeder livestock and poultry** prices down 1%; **fertilizer** down 6%; **ag chemicals** down 6%; **farm machinery** up 1%; **seeds** up 2%; and **fuels** down 19%.

♦**World Weather and Crop Developments (March 7-13).** A cooling trend was accompanied by widespread rain and snow in most winter grain areas of the **Former Soviet Union**. Greatest amounts of precipitation (10-50 mm, with local amounts in excess of 50 mm) were observed in Belarus, central Ukraine, and bordering areas in Russia (Central Region and Black Soils Region). Although temperatures did not fall low enough to threaten winter grains, the colder weather kept winter grains dormant in most areas. The third consecutive week of unseasonably mild weather prevailed over the **European** continent, prompting winter grains to begin breaking dormancy in most areas. Winter grains in western Europe were rapidly developing. Early harvesting is usually underway by now but has been delayed by the late-summer wetness. Widespread showers (10-25 mm or more, locally exceeding 50 mm) at week's end brought some relief to heat- stressed corn and other summer crops of **South Africa**. In central **Argentina**, variable showers maintained soil moisture for summer crops. Moderate rain (10-30 mm) also slowed cotton and soybean harvesting in northern Argentina and southern Paraguay. In the **U.S.**, a winter storm developed in the western Corn Belt early in the week and moved eastward through the Ohio Valley, Appalachian Mountains, and Atlantic Coast States. As it moved eastward, the storm delivered a mixture of precipitation, including a wide swath of heavy snow from the Corn Belt to the Atlantic Coast. That storm, and a second one after midweek, soaked soils in the lower Mississippi Valley, and adjacent areas of the Great Plains and Southeast. In eastern Texas, the wet conditions halted fieldwork, but improved soil moisture supplies, aiding germination of recently planted corn, cotton, and sorghum crops. The rain also aided winter wheat development in most areas of the southern Great Plains until late-week, when colder weather arrived and hindered vegetative growth. In Oklahoma and the central Great Plains, snow rejuvenated soil moisture levels and curbed insect activity. Most of Florida and the southern Atlantic Coastal Plains remained in a dry pattern. Temperatures averaged well below normal in the Southeast, but freeze damage to fruit crops was minimal. Cool, dry weather continued in the Southwest, and cool, wet weather persisted in the Pacific Northwest. In California, field activities continued with no significant delays, and small grains, winter forages, alfalfa, and sugar beets continued to rapidly grow in most areas. Crops in the Sacramento Valley were recovering from excessive wetness. In the Rocky Mountains and across the northern Great Plains, temperatures averaged near normal with scattered snowfall.

♦**Other News.** In 1999, supplies of most agricultural commodities will remain large, and the **outlook** for farm products demand is somewhat pessimistic in the near term. With exports and prices likely to be lower in 1999, farm financial stress will intensify, particularly in regions that have up to now weathered the downturn in the farm economy, such as Corn Belt states. Much of the U.S. agricultural sector will be adjusting to the combination of weak demand and large global supplies in the next few years, according to USDA's 10-year baseline projections. Compared with the recent past, agricultural commodity prices are down, global trade and U.S. agricultural export value are lower, and net farm income declines. The international factors weakening long-term U.S. agricultural outlook include financial crisis in Asia and economic contraction in Russia; projected lower growth in China's grain imports; and expanding production potential among trade competitors. In the second half of the baseline, more favorable economic growth in developing regions supports gains in U.S. agricultural exports, leading to rising nominal market prices, gains in farm income, and increased financial stability in the U.S. agricultural sector. **The Consumer Price Index for all food** is expected to increase 2-3% in 1999, following a 2.2% increase in 1998. Food at home is projected to increase 2-2.5%, while food away from home should increase 2.5 to 3%. A gross rate of return for **generic dairy advertising** is \$3.44 per additional advertising dollar spent.

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